

## MAINTENANCE AGREEMENT TERMS AND CONDITIONS

**1. GENERAL SCOPE OF COVERAGE** This Agreement covers both the labor and the material for adjustments, repair and replacements of parts ("Maintenance") as required by normal use of the equipment identified on the front page of this Agreement ("Equipment"). Maintenance does not cover charges for installation, relocating or de-installation of the Equipment. Service necessary to repair damage to the Equipment caused by misuse, abuse, negligence, attachment of unauthorized components, accessories or parts, use of substandard paper or substandard supplies, other causes beyond the control of SBS or such causes which would void the Equipment's warranty are not covered by this Agreement. Any such repairs identified in the preceding sentence shall be separately billed to customer and may lead to the termination of this Agreement. In addition, SBS may terminate this Agreement if the equipment is modified, damaged, altered or serviced by personnel other than the SBS Authorized Personnel, or if parts, accessories, or components not meeting machine specifications are added to the Equipment. Maintenance shall not cover charges for repairs needed as a result of Customer or third party modifications to software or hardware.

**2. MAINTENANCE VISITS** Maintenance visits will be made during standard weekday business hours at the address shown on the first page of this Agreement. Maintenance visits requested for holidays, weekends or after standard business hours may result in additional charges for travel and labor pursuant to SBS's standard overtime rates in effect at the time of the Maintenance visit. SBS will not connect, disconnect, repair or otherwise service non-Sharp approved attachments, components or accessories. Customer is responsible for disconnecting and reconnecting non-Sharp approved attachments, components or accessories. Maintenance performed during a Maintenance visit includes lubrication and cleaning of the Equipment and the adjustment, repair or replacement of parts described below. SBS reserves the right to exchange unit in certain situations rather than service on site.

**3. REPAIR AND REPLACEMENT OF PARTS** All parts necessary to the operation of the Equipment requiring replacement due to normal wear and tear, subject to the general scope of coverage, will be furnished free of charge during a service call.

**4. MAJOR REPAIRS, REPLACEMENT, AND UPGRADES** Major repairs resulting from misuse of the product, overall failure of the Equipment resulting from the normal end of life cycle of the Equipment and other repairs requiring more than customary repair and part replacements ("Overhaul") shall not be considered covered Maintenance. Should, in the opinion of SBS, an Overhaul be necessary for the Equipment to be in working condition, SBS will submit to the Customer an estimate of needed repairs and their additional cost. If the Customer does not authorize such Overhaul, SBS may, at its option, discontinue Maintenance of the Equipment under this Agreement. Thereafter, SBS may make service available on a "Per Call" basis based upon SBS's standard rates in effect at the time of service. During the term of this Agreement, if it is determined by SBS, in its reasonable estimation and after reasonable efforts, that Equipment maintained under the scope of this Agreement needs to be replaced or reconditioned due to (a) two service events within a six month time frame or (b) a service event cost exceeding the current market price to replace the machine, SBS has the right to deem Equipment that meets either (a) or (b) as unserviceable upon submission of written notice to Customer. In the event Equipment is deemed unserviceable in accordance with the foregoing sentence, Customer may elect to either (a) have the Equipment reconditioned at Customer's expense, (b) order a new piece of compatible Equipment, or (c) remove this piece of Equipment from the agreement.

**Addition or Removal of Equipment:** Customer is required to immediately notify SBS upon installation of any additional equipment at Customer's site capable of using SBS supplied toner cartridges. Upon installation, such equipment shall automatically be covered by this Agreement and shall be considered the Equipment for all purposes under this contract, unless SBS determines the new equipment is out of contract scope. Customer is required to notify SBS of any equipment changes or disposition (i.e. physically moved or removed for retirement purposes, etc.). For both additions and deletions to the Equipment, Customer must submit a configuration report generated from the printer to SBS.

**5. USE OF SBS SUPPLIES** Customer is obligated to use SBS approved supplies under this Agreement. If, however, the Customer uses other than SBS approved supplies (other than paper) and such supplies result, in SBS's reasonable judgment, additional Maintenance, then SBS may, at its option, assess a surcharge or terminate this Agreement. If SBS terminates this Agreement, SBS may make service available on a "Per Call" basis based upon SBS's standard rates in effect at the time of service.

**6. SUPPLIES** Supplies selected, if any, on the front of this Agreement ("Supplies"), shall be included under this Agreement. SBS will provide such selected Supplies to the Customer based upon normal yields. Supplies provided

are for use with the Equipment covered by this Agreement only and are not for resale or for use with other equipment. If the Customer's usage of the Supplies exceeds the normal yields for the Equipment being serviced, SBS will invoice and the Customer agrees to pay, for the excess supplies at SBS's current retail prices then in effect. SBS reserves the right to charge for supplies and freight. Normal yield is defined as the published industry standard yield for the product model covered under this Agreement.

**7. ELECTRICAL REQUIREMENTS** In order to ensure optimum performance of the Equipment, Customer must comply with all Sharp required electrical specifications, including but not limited to use of designated circuit and outlets and required voltage requirements. These power standards are required by UL and/or local safety regulations.

**8. CHARGES** The initial charge for Maintenance under this Agreement is non-refundable and shall be the amount set forth on the first page of this Agreement. At the end of each twelve (12) month period of the Agreement, SBS reserves the right to increase and/or otherwise modify its service rates and services. Customer shall be charged according to the payment cycle indicated on the front page of this Agreement. Customer shall pay all charges within ten (10) days of the date of the SBS invoice. Past due amounts shall accrue interest at a rate not to exceed 1.5% per month. If any Equipment which is subject to this Agreement, or any renewal hereof, is moved to a new SBS service territory, SBS shall have the option of charging the Customer an amount equal to the difference in the published maintenance charges between the current SBS service territory and that of the new SBS service territory (on a pro rata basis). If such Equipment is moved beyond any SBS service territory, SBS reserves the right to cancel this Agreement, upon written notice to the Customer, or SBS may charge (and Customer hereby agrees to pay) a fair and reasonable upcharge for continued service. In so doing SBS may take into account the distance to Customer's new location and SBS published rates for SBS's "time and materials", "Per Call" service. A fuel surcharge may be imposed when fuel prices exceed 10% of the cost of fuel at the execution of this agreement.

**9. METER READINGS** Customer is obligated to provide meter reading(s) in a timely manner upon request. If the Customer fails or refuses to provide the meter reading in a timely manner, SBS may estimate the meter based upon historical meter readings. The estimated meter will then be applied in the same manner as if the meter had been supplied by the Customer and the Customer agrees to pay any overage charges that may result from the estimated meter reading. A monthly service fee may be assessed if Customer elects for non-participation in the SBS meter collection automation software.

**10. TERM** This Agreement shall become effective upon SBS's receipt from Customer of the initial non-refundable maintenance charge, as set forth on the first page of this Agreement, or for such Customers that are to be billed in arrears, upon the date indicated in the "Start Date" portion of the first page of this Agreement. The term of this Agreement shall be as specified on the face page of this Agreement. This Agreement shall automatically renew for month-to-month periods unless either party provides the other thirty (30) days written notice of termination prior to the end of the initial term, or any renewal term hereunder. In the event that Customer reaches or exceeds the allowance, as specified on the first page of this Agreement, prior to the expiration of the initial term, or any renewal term under this Agreement, Customer hereby agrees to pay SBS the SBS excess meter rate then in effect and same shall apply to all of Customer's excess meter amounts, through the end of the term of this Agreement. For this Agreements (not CPC leases) either party shall have the right during any renewal term, or during any second or third term of a multi-term agreement (if applicable) to terminate this Agreement upon thirty (30) days prior written notice to the other.

**11. EVENT OF DEFAULT AND TERMINATION** The Customer's failure to pay any amount due under this Agreement, or breach of any other obligation herein shall constitute an Event of Default. Upon an Event of Default, SBS may, in its discretion take any one or more of the following actions: (i) cease performing all Maintenance or any other services under this Agreement; (ii) furnish Maintenance or service upon a prepaid, "Per Call" basis; and/or (iii) terminate this Agreement. Customer shall be obligated to pay any amounts due and owing to SBS within (10) ten days of the expiration or termination of this Agreement. Customer, upon payment of all such amounts due, shall thereafter have no further liability or obligation to SBS whatsoever for any further fees or expenses arising hereunder. In the event SBS terminates this Agreement because of the breach of Customer, SBS shall be entitled to payment for work in progress plus reimbursement for out-of-pocket expenses.

**12. ENTIRE AGREEMENT** This constitutes the entire Agreement between the parties relating to the subject matter hereof. Any modification to this Agreement must be in writing and signed by both parties.

**13. SUCCESSIONS AND ASSIGNS; TERMINATION** Neither party may assign this Agreement or any of its rights or obligations hereunder, without the prior written approval of the other party, which will not be unreasonably withheld, except that either party may assign its obligations and rights to a wholly owned subsidiary, parent corporation, or entity under the same ownership, operation, or control.

**14. SEVERABILITY** If any provision in this Agreement is held invalid or unenforceable by a body of competent jurisdiction, such provision will be construed, limited or, if necessary, severed to the extent necessary to eliminate such invalidity or unenforceability. The Parties agree to negotiate in good faith a valid, enforceable substitute provision that most nearly affects the Parties' original intent in entering into this Agreement or to provide an equitable adjustment in the event no such provision can be added. The other provisions of this Agreement shall remain in full force and effect.

**15. COUNTERPARTS AND ELECTRONIC SIGNATURES** This Agreement may be executed in several counterparts, each of which shall be deemed to be an original and all of which together shall constitute one Agreement binding on all parties hereto, notwithstanding, that all the parties have not signed the same counterpart. A faxed or electronic signature of this Agreement bearing authorized signatures may be treated as an original.

**16. JURISDICTION** The parties agree that this Agreement was entered into in the State of North Carolina and that the laws of North Carolina shall govern the Agreement, as to interpretation and performance. It is further agreed that the place of this Agreement, its situs and forum, will be Transylvania County. The Parties agree that the proper venue for any claims brought hereunder is Transylvania County, North Carolina.

**17. LIMITATION OF LIABILITY** To the extent permitted by Law, in no event shall SBS be liable to Customer for any special, incidental, consequential, or indirect damages, loss of business profits, business interruption, loss of business information arising out of the inability to use the Equipment. The Customer acknowledges that the Maintenance for MFPs provided by SBS is for the mechanical maintenance of the Equipment only, and that this Agreement does not cover any software, networking or any other connectivity or functionality maintenance, services, or support beyond the MFP. EACH PARTY'S AGGREGATE LIABILITY TO THE OTHER FOR DAMAGES FROM ANY AND ALL CAUSES WHATSOEVER AND REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, TORT OR NEGLIGENCE, SHALL BE LIMITED TO THE AMOUNT OF THE AGGRIEVED PARTY'S ACTUAL DIRECT DAMAGES NOT TO EXCEED THE AMOUNT OF FEES PAID BY CUSTOMER TO SBS FOR THE SERVICES DURING THE THREE (3) MONTHS IMMEDIATELY PRIOR TO THE DATE ON WHICH THE CAUSE OF ACTION ACCRUED.

**18. THIRD PARTY PRODUCTS** Any third party products provided to Customer by SBS, or any third party products that Customer will utilize through SBS's services, pursuant to this Agreement including but not limited to third party hardware, software, peripherals and accessories (collectively, "Third Party Products") shall be provided to Customer "as is". SBS shall use reasonable efforts to assign all warranties (if any) for the Third Party Products to Customer, but will have no liability whatsoever for such Third Party Products. All Third Party Products are provided WITHOUT ANY WARRANTY WHATSOEVER as between SBS and Customer, and SBS shall not be held liable as an insurer or guarantor of the performance or quality of Third Party Products. In no event will SBS be liable for any damages caused by performance or non-performance of any Third Party Product. In addition, SBS assumes no liability for failure of equipment or software or any losses resulting from such failure.

## 19. PRIVACY

Customer and SBS both agree to comply with each of their respective obligations under the applicable information privacy and data protection laws and regulations relating to the protection, disclosure and use of individuals' personal data now in place or that may come into place during the term of this Agreement (collectively, the "Privacy Laws"). Customer is and shall remain the controller of all of its data for purposes of all Privacy Laws and shall determine the scope, purposes, and manner by which SBS may access such data. SBS shall only access, retain, use or disclose any Customer data as required for the specific purpose of performing the Services.

## 20. COPYRIGHTS AND OTHER INTELLECTUAL PROPERTY

Each party (a "Creating Party") owns and retains all intellectual property rights in and to all of the Creating Party's works of authorship, including but not limited to all plans, software or software modifications developed by the Creating Party, and all modules derived or created from such materials (collectively, "Creating Party's IP"), provided Creating Party's IP is not made by using or referencing to the other party's owned intellectual property rights. The Creating Party's IP may not be distributed or sold in any form or manner without the express written consent of the Creating Party.

**21. FORCE MAJEURE** SBS shall not be liable to Customer for any failure or delay caused by events beyond SBS's control, including, without limitation, Customer's failure to furnish necessary information; sabotage; failure or delays in transportation or communication; boycotts; embargoes; failures or substitutions of equipment; labor disputes; accidents; shortages of labor, fuel, raw materials, machinery, or equipment; technical failures; fire; storm; flood; earthquake; explosion; acts of the public enemy; war; insurrection; riot; public disorder; epidemic; quarantine restrictions; acts of God; acts of any government or any quasi-governmental authority, instrumentality or agency.

**22. NO WARRANTY** SBS DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY, TECHNICAL COMPATIBILITY, FITNESS FOR USE, OR FITNESS FOR A PARTICULAR PURPOSE.

**23. INSURANCE** SBS and Customer shall each maintain, at their own expense, all insurance reasonably required in connection with this Agreement, including but not limited to, workers compensation and general liability with a limit not less than \$1,000,000 per occurrence. The Customer shall maintain Tech E&O liability insurance in an amount not less than \$1,000,000. If a security package is selected, the Customer shall maintain network risk and cyber liability coverage (including coverage for unauthorized access, failure of security, ransomware, 3rd party liability, breach of privacy perils, as well as notification costs and regulatory defense) in an amount of not less than \$1,000,000. Coverage should be primary and noncontributory for each policy. SBS and its entities, affiliates, etc. should be named as additional insured. A waiver of subrogation should apply. The required insurance coverage shall be issued by an insurance company duly authorized and licensed with the following minimum qualifications in accordance with the latest edition of A.M. Best's Insurance Guide: Financial Stability A+.

**24. MISCELLANEOUS** Customer is advised to contact SBS prior to updating or changing any application software or operating system. Additional loading of other drivers, utilities, security updates, anti-virus, or other programs to existing workstations/servers that causes SBS supported products to malfunction is not covered under this Agreement and will be billed at the current hourly rate. It is the responsibility of the Customer to perform all necessary backups on the PC or Network prior to any installation or update. SBS bears no responsibility for any damages, data or productivity loss from said PC or Network Devices. Derivative Works: Customer shall not (i) modify, copy or create derivative works based on any SBS Software; (ii) frame or mirror any content forming part of the Software or Services, other than on Customer's own intranets or otherwise for its own internal business purposes; (iii) reverse engineer the SBS Software.